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November 20, 2017

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Daufuskie Island Utility Company, Inc. Rate Application  
PSC Docket No. 2014-346-WS  
Response to Correspondence from Mr. Nelson dated November 20, 2017

Dear Ms. Boyd:

I write in response to Mr. Nelson's letter asserting the discovery served by DIUC this morning. Mr. Hayes asserts the requested response deadline of November 24, 2017, is too short. Due to the extenuating circumstances in this case that required an expedited hearing schedule, the discovery response date requested is necessary. It is also consistent with the response dates recently requested by ORS in this matter.

On Tuesday, October 24<sup>th</sup> at 2:15pm, ORS served DIUC with Audit Information Requests and required responses three business days later by Friday, October 27<sup>th</sup>. The discovery at issue from DIUC to ORS requests a response from ORS within a similar period. DIUC's rebuttal testimony is due on Tuesday, so there is just no way to allow for the usual 20 days available for a response. The four-day response deadline is consistent with the three-day response deadline for DIUC to respond to recent discovery from ORS and is necessary for DIUC to have the requested information in order to respond to recently submitted testimony of the five witnesses for ORS and Intervenors.

Mr. Nelson asserts that DIUC requested this expedited schedule, as if DIUC has gained some benefit from the hurried pace of this proceeding. While DIUC did request the expedited hearing schedule, the emergent circumstances justifying the schedule were created by the lengthy appeal and by the POAs' concerns about the bonds, both of which make a decision before the end of the year necessary. The schedule did not provide a benefit to DIUC; the utility is operating under the same types of pressure to meet the schedule.

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The discovery seeks information that forms the basis of the recently served ORS testimony. In that testimony ORS seeks to exclude \$542,978 of DIUC's rate case expenses because "in general" the invoices are insufficient. Several potential reasons for exclusion are provided, but no specifics. Additionally, ORS has for the first time in this case asserted DIUC should be compared to at least 15 other utilities about which DIUC has no information.

DIUC's discovery is focused on these new matters raised by the ORS witnesses. We did try to find ways to relieve any potential burdens. For example, rather than ask ORS a lot of questions about how ORS arrived at its positions on depreciation, DIUC requested the Xcel document and planned to try to recreate the analysis based on that document. I wasn't trying to be difficult and tried to keep the discovery focused. This is just the information DIUC needs to understand ORS's positions and then to prepare rebuttal testimony.

Thank you for allowing me to briefly respond to the concerns raised by Mr. Nelson's letter. I am available should you require any additional information and have copied Standing Hearing Office Butler so that he will be aware of this communication.

Sincerely,

/s/

Thomas P. Gressette, Jr.

Enclosures

Copies To:

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